

INFORMATION REPORT

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COUNTRY Austria/USSR

SUBJECT Recent Developments in the Soviet
Oil Administration (SMV)

CD NO. 25X1

DATE DISTR. 13 DEC 50

NO. OF PAGES 6

NO. OF ENCLS.
(LISTED BELOW)

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SUPPLEMENT TO
REPORT NO.

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Aderklaa

1. The SMV has set up a derrick at Aderklaa well No. 15 which is situated near well No. 14. The Soviets are preparing to shoot well No. 15 sometime within the next few days. Aderklaa well No. 14 continues to yield a clear golden oil. (1) ! Out of the ground and into the crankcase.

Refining

2. [redacted] Soviet military authorities finally released a shipment of Bulgarian pyrites to the USIA-controlled Donau Chemie A.G. which they had seized shortly after its arrival at Vienna docks on 28 August. [redacted] Donau Chemie A.G. delivered one tank car of sulfuric acid to both the Nova-Denow and Kledering refineries. During the remainder of the month the SMV Purchasing Office disbursed a total of 107,730 schillings for the following sulfuric acid allocations which were purchased from Donau Chemie A.G. at a cost of 855 schillings per ton:

<u>Refinery</u>	<u>No. of Metric Tons of Sulfuric Acid</u>
Nova-Denow	60
Kledering	30
Voessendorf	21
Korneuburg	15

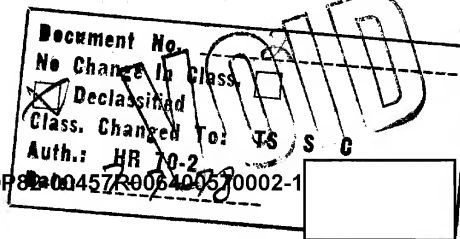
3. At the same time, three refineries have by-passed the SMV Purchasing Office and purchased their own sulfuric acid requirements; the Vacuum Oil Company purchased 4 carloads directly from Donau Chemie and the Moosbierbaum and Shell refineries each 3 carloads during September.

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Next Review Date: 2003



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Procurement

4. Kusun, Soviet director of the Purchasing Office, apparently does not anticipate further deliveries of Bulgarian pyrites and in order to eliminate the possibility of future sulfuric acid shortages is trying to obtain permission from SMV Headquarters to purchase Yugoslav pyrites which are now available in Austria. If SMV Headquarters authorizes the immediate purchase of these pyrites, Kusun expects Donau Chemie will be able to deliver at least one carload of sulfuric acid to both Nova-Denow and Voesendorf

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5. With the exception of those refineries which have purchased their own sulfuric acid requirements, most SMV installations have strictly observed SMV Headquarters' ruling that all procurement and purchasing will be handled through the Purchasing Office. Within the past month SMV purchasing agents have apparently solved most of their recent problems in procuring chemicals and other raw materials. "Chemie" Chemikalien G.m.b.H. has advised the SMV that it will be able to resume deliveries of carbides shortly; Ebenseer Solvay Werke can now supply calcined soda. The Moosbierbaum refinery is reportedly producing fuller's earth for the Nova-Denow refinery. (3) a total of 201 tons of cement was delivered to SMV oilfield installations. The SMV Purchasing Office has ordered 200,000 suits of work clothing which are scheduled for delivery at the rate of 800 per week.

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Shipments from the Soviet Union

6. The following shipments from the USSR were delivered to the SMV Central Warehouse in Neusiedl a/d Zaya

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- 1 carload containing 30,500 kilograms of pipe from Dnyeprovsk.
- 3 carloads containing a total of 49,760 kilograms of pipe from Khrompik.
- 1 carload containing 13,350 kilograms of pipe from Cop.
- 3 cases of ball bearings, weighing a total of 66 kilograms, from the Soviet ball bearing factory at 4 Lindow Torodok P/O 13 Signo 64/531189, 64/392118. (sic)

7. following shipments from the Soviet Union were received at the SMV Central Warehouse in Neusiedl a/d Zaya:

- 2 carloads of pipe, weighing a total of 50,140 kilograms, from Kirzavod (sic).
- 7 carloads of pipe, weighing a total of 111,280 kilograms, from Khrompik.
- 6 carloads of pipe, weighing a total of 104,300 kilograms, from Taganrog.
- 2 carloads containing 286 cases of iron chains, weighing a total of 23,720 kilograms, from Marsevo.

8. SMV Purchases

the SMV Purchasing Office paid cash for purchases from the following suppliers. Unless otherwise noted by an asterisk all firms are non-USIA enterprises.

<u>Firm</u>	<u>Item Purchased</u>	<u>Amount in Schillings</u>
Holzbaupwerk Franz Havlicek	Wood	26,876.56
* St. Egydyer Eisen- u. Stahl-industrie G.m.b.H.	Cable	277,310.00
Traunstein-Vertrieb	Ball bearings	23,083.44
	Pendulum roller bearings	2,842.40

Josef Reithoffer's Söhne

Gummi- und Kabelwerke A.G. Raincoats

4,328.00

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<u>Firm</u>	<u>Item Purchased</u>	<u>Amount in Schillings</u>
5 Vienna firms	Electrical equipment	23,493.20
K. J. Baldauf	Building material	234,865.16
Brixlegg Montanwerke G.m.b.H.	Heavy spar	26,834.85
Franz Kohmaier	Chains	6,170.00
* Boehler Gebr. & Co. A.G.	Steel	90,099.50
Rudolf Sterbenz	Office supplies	718.85
"Augum" G.m.b.H.	Automotive equipment	4,172.77
Metzker (4)	Automotive equipment	6,045.00
Musil (5)	Automotive equipment	1,519.46
Hutter & Schrantz A.G.	Sheet metal	1,320.00
Kugler (6)	Automotive equipment	6,056.00
Schimone (7)	Automotive equipment	616.20
Ulrich Hasenoerl & Co.	Installation equipment	2,456.76
Retzold (6)	Installation equipment	1,246.05
"Canada" Tiefbohrgeraete und Maschinenfabrik G.m.b.H.	Casing heads	45,755.00
Bunzl & Biach A.G.	Industrial crepe	9,326.00
* Henhapel-Heine, Eisen-u. Eisenwarengrosshdlg. A.G.	Tools and spare parts	58,063.77
Guido Rütgers Kmdt.-Ges.	Impregnating work	10,341.70
Ing. Theodor Petrina	Building material	86,734.72
*USIA	Angle iron and sheet metal	15,656.98
* Carl Budischowsky & Söhne A.G.	Fan belts	8,879.46
Habik (6)	Sulfuric acid	38,800.00
"Chemia" Chemikalien G.m.b.H.	Hydrochloric acid	5,194.00
Herzog (8)	Forge coal	1,769.08
J. Posamentir	Sheet metal	15,913.80
"Semperit" Gummiwerke A.G.	Rubber boots	32,175.00
Rudolf Maschina Vienna III, Gärtnergasse 1	Industrial salt	285.00
Ing. Hans Seay	Weissmat (sic) (9)	19,720.00
Rudolf Kailich	Automobile parts	2,617.00

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<u>Firm</u>	<u>Item Purchased</u>	<u>Amount in Schillings</u>
F. M. Tarbuk & Co.	Automobile parts	2,674.94
"Taifun" Ventilatoren	Ventilator	1,396.00
Arigi & Co.	Valve discs	141.60
Heinrich Wertheim Kmdt. Ges.	Lamp calcium	756.76
Rohrhofer (10)	Electrical repairs	850.00
Leopold Bauer, Poysdorf, Lower Austria	Office supplies	1,746.00
Gustav Figdor	Office supplies	1,001.70
Kellner & Kunz	Tools	36,608.94
August Schwarzkopf sen.	Furniture repairs	491.50
Ebenseer Solvay Werke	Payment on account	104.74
Imführ (6)	Brush holders	2,934.00
AGA-Werke A.G.	Oxygen and gas	72,391.27
Richard Klinger A.G.	Brake platform	14,490.00
"Standard" Ges. für Techn. Artikel	Fan belts	3,888.00
Draht- u. Drahtwarenhandels G.m.b.H.	Cable	65,929.13
* Elin A.G.	Electrodes	10,140.89
* W. Megerle	Paint and lacquer	8,556.27
* "Ariadne" Draht- u. Kabel- werke A.G.	Cable	19,211.87
* Wiener Kabel- u. Metall- werke A.G.	Cable	32,502.93
R. Veselinow & Co.	Gas and oxygen	1,518.20
Natron-Papier-Industrie A.G.	Paper bags	2,479.00
Wiener Apotheker	Drugs	96.45
Eichler (11)	Installation parts	70,685.53
Kleidermacher, Vienna VI, Schmalzhofgasse 28	700 Werkschutz overcoats	221,900.00
* Mannesmann-Trauzl A.G.	Payment on account	200,000.00

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SMV's Role in Recent Communist Demonstrations

- 25X1 9. Just prior to the recent series of strikes which broke out in protest
25X1 against the Fourth Wage and Price Agreement [redacted]
[redacted] Soviet authorities issued a warning that all work stoppages in plants
which are manufacturing products for the USSR would be regarded as sabotage
action. Consequently by ordering half its employees to remain at their
jobs and sending the other half to join the strikers, the SMV managed to
contribute to the KPOe strike campaign without interrupting operations at
the refineries and in the oilfields. Strikers from SMV installations were
transported to Vienna in trucks which in recent weeks have been held idle
in SMV motor pools; later, when the strike spread, the SMV despatched additional
vehicles.

Living Conditions of SMV Workers

10. The SMV is still enlarging workers' housing units in Matzen and Aderklaa,
where present accommodations are said to be congested and unsanitary.
11. SMV and USIA are offering their employees the opportunity to purchase an
amount of coal and coke for 300 schillings per ton. (12)

- 25X1 [redacted]
- (2) [redacted] Comment: Despite [redacted] the SMV's 25X1
sulfuric acid shortages, SMV refineries are obviously getting a
sufficient supply of this commodity either through legal or extra-
legal channels since none of the Soviet-controlled refineries has
actually been forced to shut down. It is also interesting to note
that despite Kusin's persistent attempts to cut out the individual
purchaser and to control procurement and allocation of sulfuric acid,
Moosbierbaum, [redacted] and the Vacuum refineries have suddenly gone
out on their own and purchased acid from Donau-Chemie. [redacted] 25X1
[redacted] the USIA-controlled Donau
Chemie insists on a down payment before delivery and is prepared to
sell to any customer who has cash in hand. [redacted] SMV re- 25X1
finery directors are always willing to make their own purchases
when the Purchasing Office fails to meet their requirements lest they
be held responsible for a production bottleneck. [redacted] no 25X1
explanation as to why these three refineries suddenly have ready cash
when only a few weeks ago the refineries were begging the Purchasing
Office to release funds for the purchase of essential raw materials.

- (3) [redacted] Comment: [redacted] Kusin was no
longer able to obtain Fuller's earth from Czechoslovakia and had asked
USIA to procure a special type clay which yields Fuller's earth from
Hungary.

- (4) [redacted] Comment: This firm is possibly identical with Robert Metzger & Co.,
Vienna I, Opernring 7, or with Maria Metzger, Vienna XII, Breitenfurterstr.

- (5) [redacted] Comment: Musil may be identical with an employee of USIA's
Central Commercial Bureau [redacted]

- (6) [redacted] Comment: This firm cannot be identified from available reference
material.

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- (7) [redacted] Comment: Probably Heinrich Schimonek, Vienna III, Marxergasse 13.
- (8) [redacted] Comment: Probably Adolph Franz Herzog, Vienna I, Seilerstätte 17.
- (9) [redacted] Comment: Possibly Weissmetall - white metal.
- (10) [redacted] Comment: Possibly Hans Rohrhofer, Vienna XI, Simmering Hauptstrasse 65.

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- (11) [redacted] Comment: Probably Ing. Ewald Eichler, Vienna IV, Favoritenstrasse 20.
- (12) [redacted] Comment: [redacted]

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[redacted] Juschweschtrans was despatching regular shipments of coal from
Poland to USIA [redacted]

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